

United States Department of the Interior

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In Reply To:

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Information Bulletin No. MT-2004-034

To: All Montana/Dakotas Employees
From: Deputy State Director, Division of Support Services
Subject: Upcoming Payroll Changes

In pay period 0403, which began January 11, 2004, a variety of payroll changes were implemented, including the 2004 basic pay raise, the health benefit open season and rate changes, and deductions for the Combined Federal Campaign. The following information is provided to advise you of other changes that may affect your pay.

2003 W-2 Forms

Your 2003 W-2 forms will be mailed during the last week of January 2004.

CSRS/FERS Withholding Rates

The rates of employee withholding for all categories of Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) coverage remain the same.

Federal Employees Group Life Insurance (FEGLI)

Last year OPM added three new age bands in FEGLI Option B coverage and stated the premiums for these age bands would be phased in over a 3-year period. These are the only FEGLI premiums that are changing at this time. The rates for FEGLI premiums may be viewed at www.opm.gov/insure/life.

Thrift Savings Plan (TSP)

The TSP contribution cap is \$13,000. The TSP Catch-Up program introduced last year has a \$3,000 maximum contribution for 2004.

Wage Base for Old Age Survivors & Disability Insurance (OASDI)

The 2004 Social Security wage base for OASDI is \$87,900. There is no wage base limit for Medicare tax. The tax rate will remain at 6.2 percent for Social Security and 1.45 percent for Medicare tax. Employees subject to withholdings for Medicare only will be taxed at the 1.45 percent rate for all earnings. Earnings in excess of \$87,900 will be taxed at 1.45 percent.

If you have any questions regarding this memorandum, please contact Connie Raynock or Verlaine Van Atta, Human Resources Assistants, by email or by telephone at 406-896-5229/5233.

Signed by: Sandra L. Guches

Authenticated by: Donna K. Zentz, MT-933